



**MINUTES AND MEMORANDA OF A MEETING  
OF  
THE BOARD OF DIRECTORS OF  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**

Held: December 16, 2010

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority ("IHCDA" or "Authority") was held December 16, 2010 at 10:30a.m. at 30 South Meridian Street, Suite 1000, Indianapolis, Indiana 46204.

The following individuals were present at the meeting: Lu Porter, Chris Conner, Tom McGowan, Pat Gamble-Moore, Dan Salefski as a designee of Indiana Finance Authority and Sherry Seiwert (Executive Director for IHCDA), members of the staff of the Authority, and the general public. The following Board members did not attend the meeting: David Miller.

David Terrell served as Chair of the meeting, and upon noting the presence of a quorum, called the meeting to order. Brandee Allen served as Secretary.

**I. APPROVAL OF PRIOR MEETING MINUTES**

**A. November 18, 2010 Meeting Minutes**

A motion was made by Chris Conner to approve the November 18, 2010 Meeting Minutes, and seconded by Lu Porter; the following Resolution was unanimously approved:

**RESOLVED**, the Minutes of the Board meeting held November 18, 2010, are hereby approved to be placed in the Minute Book of the Authority.

**II. COMMUNITY DEVELOPMENT**

**A. IHCDA Strategic Funding Process Recommendations:**

Mr. Terrell recognized Brian Philps who presented information regarding IHCDA's strategic funding process recommendations. As of July 1, 2010, IHCDA had begun conducting training sessions for external partners and internal staff to learn about the new process and the requirement of the new initiative. IHCDA's new process includes the following phases:

1. Strategic Assessment – determines if the proposed development clearly fits into one of the five areas eligible for consideration.
2. Project Assessment – review of project sponsor's fiscal position as well as their current standing with IHCDA across all programs. Also includes review of activity specific application forms including proformas and underwriting.
3. Negotiation and Structuring – final budget amount and funding source, including any loan rates and terms as applicable.

4. Execution and Disbursement – award documents reviewed and returned. Release of Funds resulting in access to awarded funds.

Staff recommended four (4) developments for Board approval, as follows:

**i. Miami Valley Lutheran Housing**

<b>Miami Valley Lutheran Housing Association of Indiana VII, Inc. DR2H-09-134</b>
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**Project Summary:**

Miami Valley Lutheran Housing Association is requesting \$714,111.00 to rehabilitate 40 rental units. This project is currently a HUD 202 property, which is a program that helps expand the supply of affordable housing with supportive services for the elderly. Rehabilitation will include but not be limited to new windows, PTAC HVAC units, roof, flooring, incorporation of ADA accessibility features, and a lift station for flood prevention. This project will meet IHCD's aging in place priority because 100% of the units will be targeted and developed for beneficiaries that are at least 62 years of age or 80% of the units will be targeted and developed for beneficiaries that are at least 55 years of age or older. Additionally, supportive services will be available to all residents. Applicant is currently seeking approval from HUD to draw an additional \$28,000 from reserves on this development to offset costs for the lift station.

<b>Project Name:</b>	Grace Lutheran Community
<b>IHCDA Amount Requested:</b>	\$714,111.00
<b>CDBG-D Amount Recommended:</b>	\$685,611.00
<b>Total Project Costs:</b>	\$729,111.00
<b>Location:</b>	Greensburg, Decatur County
<b>Activity:</b>	Rental – Rehabilitation
<b>Number of Assisted Units:</b>	40
<b>Income Range:</b>	100% at or below 60% AMI
<b>Award Type:</b>	Recoverable Grant
<b>Funding Source:</b>	Community Development Block Grant- Disaster Relief

Following discussion a motion was made by Chris Conner to approve the allocation of CDBG-D funding, in an amount not to exceed \$685,611, for the above-referenced request received during the current review period of the 2010-2011 funding year, as recommended by staff, which was seconded by Dan Salefski;

**RESOLVED**, that the Board approve awarding the allocation of CDBG-D funding, in an amount not to exceed \$685,611, for the above-referenced request received during the current review period of the 2010-2011 funding year, as recommended by staff.

**ii. Northeast Indiana Housing Partnership**

**Northeast Indiana Housing Partnerships, Inc.**

**DR2OR-009-049**

**Project Summary:**

Northeast Indiana Housing Partnerships, Inc. is requesting \$100,000.00 to assist 10 homeowners with emergency repairs as documented by local building inspectors and County health departments. If not addressed, the home's condition will create a health and safety hazard that could result in the resident no longer being able to live in the home. This request meets IHCD's emergency home repair funding option.

<b>Project Name:</b>	NIHPI Emergency Repair
<b>IHCD Amount Requested:</b>	\$100,000.00
<b>CDBG-D Amount Recommended:</b>	\$100,000.00
<b>Total Project Costs:</b>	\$110,000.00
<b>Location:</b>	Scattered sites in the Counties of Huntington, LaGrange, Steuben, Noble, Wabash, and Whitley
<b>Activity:</b>	Owner-Occupied Rehabilitation
<b>Number of Assisted Units:</b>	10
<b>Income Range:</b>	100% at or below 80% AMI
<b>Award Type:</b>	Recoverable Grant
<b>Funding Source:</b>	Community Development Block Grant- Disaster Relief

Following discussion a motion was made by Pat Gamble-Moore to approve the allocation of CDBG-D funding, in an amount not to exceed \$100,000.00, for the above-referenced request received during the current review period of the 2010-2011 funding year, as recommended by staff, which was seconded by Chris Conner;

**RESOLVED**, that the Board approve awarding the allocation of CDBG-D funding, in an amount not to exceed \$100,000.00, for the above-referenced request received during the current review period of the 2010-2011 funding year, as recommended by staff.

**iii. Hamilton County Area Neighborhood Development (HAND)**

**Hamilton County Area Neighborhood Development, Inc. (HAND)**

**CH-010-001**

**Project Summary:**

HAND is requesting \$548,000.00 for the new construction of 10 rental units. This project will meet IHCD's high performance building priority as it will be constructed to the minimum standard set by the National Association of HomeBuilders. Additionally it will meet IHCD's aging in place priority because 100% of the units will be targeted and developed for beneficiaries that are at least 62 years of age or 80% of the units will be targeted and

developed for beneficiaries that are at least 55 years of age or older. Supportive services will also be available to all residents.

<b>Project Name:</b>	Gardens at Pebble Brook
<b>IHCDA Amount Requested:</b>	\$548,000.00
<b>HOME Amount Recommended:</b>	\$548,000.00
<b>Total Project Costs:</b>	\$1,238,848.00
<b>Location:</b>	Noblesville, Hamilton County
<b>Activity:</b>	Rental – New Construction
<b>Number of Assisted Units:</b>	10
<b>Income Range:</b>	100% at or below 60% AMI
<b>Award Type:</b>	Recoverable Grant
<b>Funding Source:</b>	HOME Investment Partnerships Program

Following discussion a motion was made by Tom McGowan to approve the allocation of HOME funding, in an amount not to exceed \$548,000, for the above-referenced request received during the current review period of the 2010-2011 funding year, as recommended by staff, which was seconded by Chris Conner;

**RESOLVED**, that the Board approve awarding the allocation of HOME funding, in an amount not to exceed \$548,000, for the above-referenced request received during the current review period of the 2010-2011 funding year, as recommended by staff.

#### iv. Habitat for Humanity of Whitley County

<b>Habitat for Humanity of Whitley County, Inc.</b>	<b>HM-010-002</b>
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##### **Project Summary:**

Habitat for Humanity of Whitley County, Inc. is requesting \$80,000.00 for the new construction of 2 single family homes. This will be the final phase of an 8-unit infill development, in which, IHCDA assisted in funding the previous 6 homes. This project will meet IHCDA's high performance building priority as both homes will be constructed to the minimum standard set by the National Association of Home Builders.

<b>Project Name:</b>	West Ellsworth 608 & 612
<b>IHCDA Amount Requested:</b>	\$80,000.00
<b>HOME Amount Recommended:</b>	\$80,000.00
<b>Total Project Costs:</b>	\$312,190.00

<b>Location:</b>	Columbia City, Whitley County																														
<b>Activity:</b>	Homebuyer - New Construction																														
<b>Number of Assisted Units:</b>	2																														
<b>Income Range:</b>	100% at or below 50% AMI																														
<b>Award Type:</b>	<p>\$50,760.00 Recoverable Grant</p> <table border="0"> <tr> <td>Homebuyer</td> <td>Subsidy</td> <td>-</td> </tr> <tr> <td>\$26,260.00</td> <td>for</td> <td>608 W.</td> </tr> <tr> <td>Ellsworth</td> <td></td> <td></td> </tr> <tr> <td>\$24,500.00</td> <td>for</td> <td>612 W.</td> </tr> <tr> <td>Ellsworth</td> <td></td> <td></td> </tr> </table> <p>\$29,420.00 Loan</p> <table border="0"> <tr> <td>Development</td> <td>Subsidy</td> <td>-</td> </tr> <tr> <td>\$13,740.00</td> <td>for</td> <td>608 W.</td> </tr> <tr> <td>Ellsworth</td> <td></td> <td></td> </tr> <tr> <td>\$15,500.00</td> <td>for</td> <td>612 W.</td> </tr> <tr> <td>Ellsworth</td> <td></td> <td></td> </tr> </table>	Homebuyer	Subsidy	-	\$26,260.00	for	608 W.	Ellsworth			\$24,500.00	for	612 W.	Ellsworth			Development	Subsidy	-	\$13,740.00	for	608 W.	Ellsworth			\$15,500.00	for	612 W.	Ellsworth		
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<b>Loan Terms (applies to loans for each address):</b>	Balloon payment due on the date six (6) months from the date the note is sold.																														
<b>Funding Source:</b>	<p>0% interest rate</p> <p>HOME Investment Partnerships Program</p>																														

Following discussion a motion was made by Lu Porter to approve the allocation of HOME funding, in an amount not to exceed \$80,000, for the above-referenced project received during the current review period of the 2010-2011 funding year, as recommended by staff, which was seconded by Dan Salefski;

**RESOLVED**, that the Board approve awarding the allocation of HOME funding, in an amount not to exceed \$80,000, for the above-referenced project received during the current review period of the 2010-2011 funding year, as recommended by staff.

### **III. MULTIFAMILY**

#### **A. ARRA Update: 1602 Tax Credit Exchange Program and Tax Credit Assistance**

Mr. Terrell recognized Jacob Sipe who presented an update to the Board regarding the award allocations of the 1602 Tax Credit Exchange Program (1602 Exchange Program) and the Tax Credit Assistance Program (TCAP). The American Recovery and Reinvestment Act of 2009 (ARRA) created two provisions to enhance the Section 42 Rental Housing Tax Credit Program, which includes the 1602 Exchange Program and TCAP:

- The 1602 Exchange Program allows IHCD to make direct equity investments into rental housing for families earning less than 60% of area median income, in exchange for tax credits

already awarded for those projects. IHCD A receives equity at a rate of \$0.85/dollar of tax benefits from credits that are exchanged. For example, an exchange of \$100,000 in annual credits would generate \$850,000 in equity for investment in tax credit projects--\$100,000 per year x 10 years x \$0.85/dollar of benefits. Because of the tight credit market, the majority of projects awarded credits in 2008 have been unable to attract the necessary equity to complete the deals. IHCD A is to receive \$164,011,126 from the 1602 Exchange Program, through the US Department of Treasury.

- Through TCAP, HUD provides development subsidy that may only be used for capital investment in Rental Housing Tax Credit projects awarded credits at any time from 2007 to 2009, at any stage of development. These funds help individual projects to close funding gaps created by such factors as the fall in tax credit equity pricing, or increased holding costs as a result of project delays. IHCD A received \$38,048,333 in TCAP funds from HUD.

Mr. Sipe presented to the Board spreadsheets the 1602 Exchange Program and TCAP projects, attached hereto as Exhibits A and B, approved by the IHCD A Allocation Committee. The Board delegated final approval authority for 1602 Exchange Program projects to staff in its July, 2009 meeting.

No action was required, as this was an update to the Board on delegated authority for expending ARRA funds.

**B. Recommendation for 2010 Low-Income Housing Tax Credit Program (LIHTC), LIHTC with HOME Investment Partnership Program (HOME), and Indiana Affordable Housing and Community Development Fund Awards.**

Mr. Terrell again recognized Jacob Sipe who presented information regarding recommendation for 2010 Low-Income Housing Tax Credit Program (LIHTC), LIHTC with HOME Investment Partnership Program (HOME), and Indiana Affordable Housing and Community Development Fund Awards. IHCD A is empowered to act as the housing credit agency for the State to administer, operate, and manage the allocation of the Internal Revenue Service Section 42 low-income housing tax credit (LIHTC) program. The purpose of the LIHTC is to provide an incentive for private developers and investors to provide more affordable rental housing. This is done by both new construction and rehabilitation of existing structures.

In 2010, IHCD A received \$24,785,776 in Midwestern Disaster Credits and as of today \$5,269,627 remains unallocated and must be awarded by December 31, 2010. If the remaining Midwestern Disaster Credits are not allocated by December 31, 2010, then IHCD A will be required to return all of the unallocated 2010 Midwestern Disaster Credits to the Internal Revenue Service on January 1, 2011. The Process and Recommendations below ensure the remaining 2010 Midwestern Disaster Credits are utilized.

Staff recommended the approval of five (5) developments for LIHTC, three (3) of which will receive additional IHCD A financing.

BIN #	Development Name	LIHTC Recommendation	Development Fund Loan Recommendation	HOME Loan Recommendation
IN-10-04700	Central Greens Apts.	\$2,000,000	\$120,000	\$0

IN-10-05000	Patterson Pointe Senior Residence	\$981,875	\$0	\$0
IN-10-05100	RomWeber Flats	\$1,011,310	\$500,000	\$0
IN-10-05200	United Senior Residence	\$1,014,805	\$0	\$400,000
IN-10-05300	Westwood Crossing	\$884,355*	\$0	\$0
Total:		\$5,892,345	\$620,000	\$400,000

*\* Westwood Crossing will receive \$261,637 in Midwestern Disaster Credits – which will allocate all unallocated Midwestern Disaster Credits – and the balance of \$622,718 in other LIHTC.*

Following discussion a motion was made by Chris Conner to approve an aggregate award of LIHTC in the amount of \$5,892,345, an aggregate award of Development Fund in the amount of \$620,000 and an aggregate amount of HOME funds in the amount of \$400,000 to the five (5) above-listed developments, as more particularly identified in the Development Sheets as recommended by staff, which was seconded by Lu Porter;

**RESOLVED**, that the Board approve an aggregate award of LIHTC in the amount of \$5,892,345, an aggregate award of Development Fund in the amount of \$620,000 and an aggregate amount of HOME funds in the amount of \$400,000 to the five (5) above-listed developments, as more particularly identified in the Development Sheets as recommended by staff.

Following discussion a motion was made by Chris Conner to approve allocating \$788,764 in LIHTC and lending \$200,000 in Development Fund to The Village at Hillside in the event one of the top five (5) above-listed applicants, as more particularly identified in the Development Sheets fails to execute the carryover agreement by December 22, 2010, as recommended by staff, which was seconded by Pat Gamble-Moore;

**RESOLVED**, that the Board approve allocating \$788,764 in LIHTC and lending \$200,000 in Development Fund to The Village at Hillside in the event one of the top five (5) above-listed applicants, as more particularly identified in the Development Sheets fails to execute the carryover agreement by December 22, 2010, as recommended by staff.

Following discussion a motion was made by Lu Porter to approve delegating to the Executive Director the authority to award 2010 Midwestern Disaster Credits by December 31, 2010 if any remain, and to report on any such use of delegated authority to the Board at the January 2011 Board meeting, as recommended by staff, which was seconded by Pat Gamble-Moore;

**RESOLVED**, that the Board approve delegating to the Executive Director the authority to award 2010 Midwestern Disaster Credits by December 31, 2010 if any remain, and to report on any such use of delegated authority to the Board at the January 2011 Board meeting, as recommended by staff.

### **C. Rental Housing Tax Credit Compliance- Training Workshops**

Mr. Terrell recognized Danielle Anderson who presented information regarding Rental Housing Tax Credit Compliance for Training Workshops. The Multi-Family Department

provides compliance trainings to the owners, management companies, and on-site property staff that receive Rental Housing Tax Credits (RHTC). In August 2010, a Request for Proposals (RFP) was released for a Third Party Compliance Trainer for the RHTC Compliance Workshops throughout Indiana in 2011.

The Multi-Family Department solicited proposals via IHCD A INFO, IHCD A Online Reporting Message Board, Multifamily Department Notice 10-13, and directly contacted multiple regional and national compliance trainers. Of the three (3) firms that inquired about the 2011 Workshops, two firms submitted proposals; Compliance Solutions and The TheoPRO, Inc. Each firm submitted a sample workshop presentation for staff to review. Each proposal was scored and Compliance Solutions' final score was 118 points and The TheoPRO Group, Inc final score was 97 points. Scoring was based on the following criteria:

1. RFP request met in submitted proposal
2. Quality of presentation
3. Clarity and Quality of Past Work/Capacity
4. Familiarity with Section 42 and IHCD A's RHTC Compliance Manual
5. Competitive fees
6. Minority and Women Owned Businesses
7. State of Indiana Business

Following discussion a motion was made by Dan Salefski to approve entering into a professional services agreement with Compliance Solutions not to exceed \$25,000 to conduct 8 trainings, as recommended by staff, which was seconded by Pat Gamble-Moore:

**RESOLVED**, that the Board approves entering into a professional services agreement with Compliance Solutions not to exceed \$25,000 to conduct 8 trainings, as recommended by staff.

#### **IV. EXECUTIVE**

##### **A. Report of Delegation**

Mr. Terrell recognized Sherry Seiwert who updated the Board on contracts which fell under the Board's delegation of authority to staff. On February 26, 2009 the IHCD A Board authorized the Executive Director to take all action necessary to obtain, accept and begin distributing ARRA funds, if those actions are approved by the Stimulus Panel and are recommended by the executive management committee created for this purpose. On July 23, 2009 the IHCD A Board also approved a Delegation Policy by which the Board delegated certain decision-making authority to the Executive Director. On October 28, 2010, the IHCD A Board approved revising the 2009-2010 Delegation Policy. The Executive Director has approved the items mentioned below:

Month	Department	Program	Vendor	Action Taken	Amount	Purpose
November	Com. Dev.	Wx	INCAA	Amendment	NA	LIHEAP Amendment to realign budget line items
November	Com. Dev.	Wx	Eric Allen Curtis	New Contract	\$85,129.65	Project Manager for ARRA approved (May



						2010) funding for 2010-2011 IHCDA statewide WX shelter project
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No action was required, as this was an update to the Board on delegated authority.

**B. ClientTrack Database for Community Services Block Grant and Homeless Management Information System**

Mr. Terrell recognized Mark Young who presented information regarding ClientTrack which is a database for Community Services Block Grant (CSBG) and Homeless Management Information System (HMIS). IHCDA has contracted with Data Systems International, Inc. and Rociing Corporation to develop and support an integrated database system which will serve the required reporting for the CSBG program through the Community Action Agencies and perform the HUD required functions of a HMIS for agencies involved in homeless services in the Indiana Balance of State Continuum of Care.

IHCDA contracted with Data Systems International earlier in 2010 to provide Client Track software services for the CSBG program, and performed according to the contract. Given Client Track's proven integration capability with existing IHCDA technology, selecting Data Systems International would eliminate the need for an additional software system.

Therefore, staff recommended the approval of an inclusive contract with Data Systems International to license and support a combined implementation which meets the needs of Community Action Agencies and our HUD supported HMIS. The Client Track software system is certified to be compliant with HUD Data Standards and to meet all client confidentiality requirements. Staff would propose simply amending the previously approved contract for the CSBG program. Under the Amendment, ClientTrack will allow up to 500 simultaneous users.

Contract Date: May 1, 2010 to April 30, 2013  
Amended Date: May 1, 2010 to December 31, 2013

Current Contract	\$307,200
Year 1 Users	\$183,650 (\$213,650 - \$30,000 CSBG existing user contract)
Year 2 Users	\$178,100 (\$208,100 - \$30,000 CSBG existing user contract)
Data Conversion	\$16,965
<b>Total Amount:</b>	<b>\$685,915</b>

Portions of this amount are to be paid from the HUD SHP HMIS grant

Following discussion a motion was made by Chris Conner to approve entering into a professional services agreement with Compliance Solutions not to exceed \$25,000 to conduct 8 trainings, as recommended by staff, which was seconded by Lu Porter:

**RESOLVED**, that the Board entering into an amended contract with Data Systems International on the above-referenced terms to expand the use of the ClientTrack software for HMIS, as recommended by staff.

**V. INDIANA FORECLOSURE PREVENTION NETWORK**

#### **A. IFPN Network Agency Contract Amendments**

Mr. Terrell recognized Stephanie Reeve who presented information regarding Indiana Foreclosure Prevention Network (IFPN) Agency contract amendments. The Indiana Foreclosure Prevention Network (IFPN) was established in November 2007 to assist Hoosier families with avoiding foreclosure and maintaining housing stability. Through this unique partnership of the public, private and nonprofit sectors, a toll-free helpline, 1-877-GET-HOPE was established. For anyone who may be at risk of foreclosure, the helpline provides free, confidential financial counseling with no obligation or commitment.

In June 2010, the Board approved entering into Network Agency contracts with twenty-six (26) housing counseling agencies throughout the state. Since that time, there are several high performing agencies who have expended all or most of their award amount under these contracts. Without increasing the current contract amounts (which expire June 30, 2011), these agencies will be forced to refrain from accepting future IFPN referrals until new awards are made in 2011. As the IFPN has additional funds at this time (due to increased foreclosure filing fee revenue), staff recommended making the following adjustments to five (5) Network Agencies:

NETWORK AGENCY	ORIGINAL AMOUNT	PROPOSED INCREASE
Homestead Consulting	\$105,000	\$90,000
HOPE of Evansville	\$75,000	\$30,000
Human Services	\$50,000	\$40,000
LaCasa of Goshen	\$90,000	\$30,000
TRI-CAP	\$75,000	\$10,000

Following discussion a motion was made by Lu Porter to approve amending the IFPN Network Agency contracts with the above-referenced organizations for the above-referenced amounts, as recommended by staff, which was seconded by Tom McGowan:

**RESOLVED**, that the Board approves amending the IFPN Network Agency contracts with the above-referenced organizations for the above-referenced amounts, as recommended by staff.

#### **VI. POLICY & RESEARCH**

##### **A. Community Development Financial Institution Investment Background and Timeline**

Mr. Terrell recognized Joe Palus who presented an update regarding the Community Development Financial Institution (CDFI) for Grameen Bank. The creation of a statewide nonprofit CDFI increases Indiana's supply of capital for community development by attracting more funding from the US Department of Treasury's CDFI Fund and filling financing gaps for real estate predevelopment, microenterprise and small business lending. In addition, by creating an infrastructure through which banks and philanthropic organizations can direct capital to underserved communities, the CDFI can help increase bank comfort levels with investments in those communities by pooling risk: If a bank is the sole investor in a project, their risk is much higher than if they are one of six or seven lenders. Below is a brief description of IHCD's progress and an explanation of why they are important:

- 1) *Securing IRS recognition of 501(c)(3) status as a public charity:* In order to attract philanthropic capital, the Community Investment Fund of Indiana, Inc. (CIFI)- the working name of CDFI- must be a nonprofit public charity. This means that it must be governed by a board of directors, serve a public purpose, agree not to distribute its profits to shareholders, and support its operations through a range of sources, including fees for service, philanthropic/government grants, and individual/corporate contributions and investments. CIFI is currently in the process of constituting its board of directors. The CIFI board will then map out its strategy for securing public charity status, attracting support for its operations and investment activities, and meeting the criteria for CDFI Certification. Ideally, the board will include representatives that help CIFI to achieve geographic balance while offering the right mix of time, talents and treasure during the organization's critical start-up phase. As that process is moving along, IHCDCA staff may work with the CIFI board to complete an application for public charity status. Once CIFI has submitted its application to the IRS, it is treated as a public charity until a final determination is made (although if denied, funders and contributors to date will lose the deductibility of gifts they have already made). This, too, should be done within the first quarter of 2011.
  
- 2) *Securing philanthropic and investment capital:* Like any nonprofit organization, CIFI will need to support itself with a combination of earned revenue, government grants and contributions from foundations, corporations and individuals. IHCDCA anticipates that the organization will ultimately earn a substantial proportion of its funding through its financing activities (such as underwriting fees and interest payments) and program activities (such as grant support for business planning and other services for Microentrepreneurs, nonprofits and small business owners). Over the next year, CIFI's Board must work (with IHCDCA staff serving in an advisory capacity) to develop and implement a resource development plan. Fundraising for any new entity is difficult, and securing loan capital for an organization that has no balance sheet and a scant track record can be even harder. Thus, IHCDCA's funding and support in connecting CIFI with other funders and lenders will be critical to CIFI's initial efforts but should form a smaller proportion of CIFI's support base over time.
  
- 3) *Meeting the seven requirements for CDFI Certification:* In its application for CDFI TA funding, CIFI identified itself as an emerging CDFI. This means that it must demonstrate a reasonable plan to meet all seven certification criteria by December 31 2013. To qualify for certification, CIFI must:
  - a) *Be a legal entity at the time of certification application:* CIFI already meets this criterion.
  - b) *Have a primary mission of promoting community development:* CIFI can meet this criterion upon adoption of a resolution by its board.
  - c) *Be a financing entity:* This criterion is why IHCDCA committed \$500,000 to CIFI at its last board meeting and may make similar awards in the future. The organization must demonstrate a track record of lending *prior to* its certification as a CDFI.
  - d) *Primarily serve one or more target markets:* Although CIFI will be statewide, at least 85% of its efforts must be in eligible Investment Areas as identified by the CDFI Fund. Investment Areas are census tracts that exhibit some form of distress, such as high poverty and unemployment or low homeownership rates. CIFI's target markets are thus distressed communities throughout the State of Indiana.
  - e) *Provide development services in conjunction with its financing activities:* To qualify as a CDFI, CIFI must provide services in conjunction with lending, such as those provided under the BEED initiative, including business planning, technical assistance to entrepreneurs and assistance accessing capital. Again, CIFI must demonstrate that it is providing such services *prior to* certification as a CDFI. Accordingly, IHCDCA may want to direct funding for technical assistance provision to CIFI in the future.

- f) *Maintain accountability to its defined target market:* CIFI must demonstrate that individuals representing its target markets—nonprofit organizations, microentrepreneurs, and low-income persons—play some meaningful role in determining the organization’s strategic direction and investment decisions. This may be through membership on the board, representation on an advisory committee or participation in regular focus groups. Determining the optimal approach for maintaining accountability to its target market will be one of the CIFI board’s early decisions.
- g) *Be a non-government entity and not be under control of any government entity:* A government entity may neither hold a controlling interest on the board *nor* provide the majority of the organization’s support. This is one more reason that a plan by CIFI’s Board to diversify its support base is absolutely critical.

No action was required, as this was an update to the Board on delegated authority.

## **B. IHCD A Marketing and Design Services**

Mr. Terrell recognized Amber Sheffer who presented information regarding IHCD A marketing and design services. Historically, IHCD A has contracted for design services related to the development of collateral and display pieces utilized to market the overall agency or specific projects. Most recently, IHCD A contracted with Tactic Marketing to conduct market research and focus groups, redefine the IHCD A brand, and design a new logo and image pieces for the agency.

Given the need for the continued development of marketing collateral, as well as creation of materials for new initiatives, IHCD A is in need of additional marketing and design services.

Upon the conclusion of its 18 month contract with Tactic in December 2010, IHCD A initiated a bid process to identify a new design firm. IHCD A reviewed bid packets and design portfolios of six Indiana-based firms. Of these, MatchBook Design Firm, Dean Johnson Marketing, and CoDo Design were invited to make presentations to IHCD A staff.

After the interview process, firms were rated based on cost, creative style, client base, and familiarity with housing and community development issues. The following represents the final rankings by IHCD A staff:

- 1) Tactic Marketing;
- 2) Dean Johnson Marketing;
- 3) Matchbook Design;
- 4) CoDo Design;
- 5) Brand ReNew; and
- 6) Geared Media

IHCD A staff recommended re-engaging Tactic Marketing to provide up to 200 hours of design services in 2011 with an option for a one-year renewal in 2012. Tactic Marketing would be compensated at a rate of \$100 per hour not to exceed \$20,000 in a given fiscal year. The contract will be covered out of federal administrative funds as appropriate and IHCD A’s public relations budget.

Following discussion a motion was made by Pat Gamble-Moore to entering into a design services contract not to exceed \$20,000 per year for one year with an option to renew for a second year with Tactic Marketing for the aforementioned services, as recommended by staff, which was seconded by Chris Conner;

**RESOLVED**, the Board authorizes entering into a design services contract not to exceed \$20,000 per year for one year with an option to renew for a second year with Tactic Marketing for the aforementioned services, as recommended by staff.

**VII. ACCOUNTING**

**A. 2011 IHCD A Budget**

Mr. Terrell recognized Ike Levy who presented information regarding IHCD A's 2011 budget. On December 7, 2010, the Budget Committee of the Board reviewed the proposed budget. The Budget Committee is comprised of the following members: David Terrell, Kendra York, and David Miller. The proposed budget for 2011 includes \$14,477,000 in total revenue and \$13,864,755 in total expenses, resulting in a net of revenue over expenses of \$612,245.

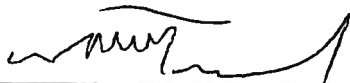
Following discussion a motion was made by Chris Conner to approve the proposed 2011 Budget, as recommended by staff, which was seconded by Tom McGowan;

**RESOLVED**, the Board approves the proposed 2011 Budget, as recommended by staff.

**VIII. OTHER BUSINESS**

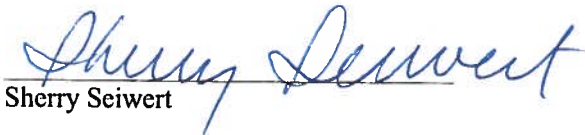
Mr. Terrell inquired if there was any new or additional business to come before the Board prior to its adjournment. There being no further business the meeting was adjourned at 11:35 a.m.

Respectfully Submitted,



David Terrell, as designee of  
Lt. Governor, Becky Skillman

ATTEST:

  
Sherry Seiwert